

RESOLUTION NO. 687

WHEREAS, the City of Lodi is a corporate city of the sixth class, situated in the County of San Joaquin, State of California, and had according to the 1930 United States census, a population of 6,776, an increase of approximately forty percent over the United States census of 1920; and

WHEREAS, the Mokelumne Area contiguous to the City of Lodi is one of the most densely populated rural sections in the United States, there being more than sixty homes per square mile in parts of the area and twenty homes per square mile being common; and

WHEREAS, the principal crops grown in the intensively cultivated irrigated Mokelumne Area are grapes, peaches, apricots, prunes, cherries, almonds, walnuts, alfalfa, truck produce; with vineyards predominating because of the unusually favorable conditions for Tokay grape production, which has given Lodi the distinction of being known as the Tokay Center of the world; and

WHEREAS, the City of Lodi has successfully operated its municipal electric distribution and water supply systems at a profit since 1910, the profit for the last fiscal year ending June, 1933 being, for the electric system a net excess of revenue over operating expenses, bond redemption and interest of \$36,309.02; and for the water supply system, a similar net excess of \$19,221.71; and

WHEREAS, in order to distribute electrical energy to its inhabitants, pump its municipal water supply and supply electricity for park and street lighting, municipal baths, sewerage disposal plant, heating and lighting public buildings, the City of Lodi purchases in excess of 5,500,000 kilowatt hours of electrical energy each fiscal year, the total number of kilowatt hours so purchased for the fiscal year ending June 30, 1933 being 5,644,800, an increase of approximately forty-five percent during the ten years preceding, the cost of which, under its present contract with the Pacific Gas and Electric Company, the only

public service corporation supplying power in the Mokelumne Area, was \$52,209.95; and

WHEREAS, in the Mokelumne Area contiguous to the City of Lodi, the primary irrigation water supply is withdrawn from wells by means of electrically driven pumps, and the average annual power cost is approximately \$4.00 per acre thus irrigated under the present electric rates of the said Pacific Gas and Electric Company; and

WHEREAS, the domestic and power rates charged the consumers in the Rural Area are considerably in excess of the rates charged for similar service to consumers living within the City of Lodi and served by its Municipal Electric Distribution System; and

WHEREAS, in 1928 and 1929 the Lodi District Chamber of Commerce, subsequent to a recommendation of the City Council of the City of Lodi, caused a power survey to be made of the said Rural Area contiguous to the City of Lodi, which survey conclusively indicated the economic need and desirability of securing an independent source of electric energy for irrigation and domestic use in the Rural Area at reasonable and reduced rates; and

WHEREAS, the City Council of the City of Lodi has been and is now striving to obtain an independent economic source of electric energy for its electric distribution system and municipal needs; and

WHEREAS, the Colorado Power Company, a California corporation, did own a low-head power site in Amador and Calaveras Counties, California, through which the Mokelumne River flows, located approximately twenty-five miles easterly from the City of Lodi, the power generation possibilities of which have been investigated and engineering reports made to the City Council of the City of Lodi, which investigations and reports indicate the economic feasibility and desirability of developing on the site a hydro-electric power plant to supply electrical energy to the City of Lodi and/or the City and said Rural Area; and

WHEREAS, on January 9, 1929, the City of Lodi acquired by Deed

from said Colorado Power Company the above mentioned power site to be used by the said City, or the City and a Rural Area, for the construction thereupon and operation of a municipal hydro-electric power plant as aforesaid; and

WHEREAS, subsequent to acquiring the above mentioned Deed, the City of Lodi caused further engineering investigations to be made upon the feasibility of economically developing the said site by Consulting Engineers Messrs. Nelson A. Eckart, Walter L. Huber and Frederick H. Fowler, which investigations confirmed reports made upon the said proposed project development by Consulting Engineers Fred C. Herrmann and Louis F. Leurey, engineers for the Colorado Power Company, all of which investigations indicated the project to be economically feasible and a desirable source of electric energy for the City of Lodi and a contiguous Rural Area predicated upon the use of the natural and riparian flow of the said river; and

WHEREAS, subsequent to the said deed conveyance, litigation followed in the County of Calaveras, California, between the City of Lodi, Colorado Power Company, Pacific Gas and Electric Company, and East Bay Municipal Utility District, which litigation has finally resulted in the City of Lodi and/or the Colorado Power Company, being assured through a State Supreme Court decision, of a certain regulated flow of water being returned by the Pacific Gas and Electric Company into the Mokelumne River above the above mentioned power site of the City of Lodi; the East Bay Municipal Utility District having been given, by final decree, the right to re-regulate, in its Pardee Reservoir immediately up-stream from the power site of the City of Lodi, the said waters released by the Pacific Gas and Electric Company as aforesaid, together with all other waters flowing in the said river, to the extent of such regulation as will be necessary to permit of the diversion to the East Bay District of its ultimate proposed maximum municipal water needs of two hundred million gallons daily or approximately one-fourth of the average annual flow of the said river and to operate its Pardee Power Plant, at the base of said Pardee Dam;

all of such power regulated water and residual flow as aforesaid being returned to the Mokelumne River above the site of the proposed Lodi Power Plant, and over which the said returned waters will flow; and

WHEREAS, in addition to the foregoing litigation, the City of Lodi, in protection of its municipal and domestic water supply, brought an action in the County of San Joaquin, California, seeking to enjoin the East Bay Municipal Utility District and the Pacific Gas and Electric Company from interfering with the natural flow of the said Mokelumne River, predicated upon the effect of interference with the underground water basin of the area in and about the City of Lodi, from which basin the said City and Rural Area obtain their respective municipal, domestic and irrigation water supplies; and

WHEREAS, on August 14, 1935, the Superior Court in and for the County of San Joaquin assured to the City of Lodi, by Judgment and Decree, the delivery by the said East Bay Municipal Utility District of certain minimum flows of water into the said Mokelumne River at Pardee Dam, which the Court contemplates will serve to replenish and maintain the said underground basin and which minimum releases, together with all other flows of said river, will flow over and across the power site of the City of Lodi; and

WHEREAS, a preliminary study of the power that could be developed at the proposed Lodi Power Plant, utilizing the above mentioned minimum regulated flows of water together with such other flows as will be available at the site, indicates that the development of the Project is highly economic and desirable to the City and the Rural Area, and will result in an annual net saving of approximately forty percent of their combined present costs of electric energy pending the liquidation of the Project bonds and thereafter approximately seventy percent annually; and

WHEREAS, the above recited benefits may be secured by the City of Lodi individually, or the City of Lodi and a Rural Area jointly, at total capital costs of less than \$600,000.00 and \$800,000.00

respectively; and

WHEREAS, the annual report of the City Clerk of the City of Lodi for the fiscal year ending June 30, 1933, shows that: the total tax rate per \$100.00 of assessed valuation is \$1.00; the present outstanding bonded indebtedness of said City of Lodi is \$215,200.03, of which amount the City Treasury now holds an amount of \$78,469.43, and the present total bonding capacity, exclusive of the issuance of Revenue Income Bonds, is \$706,338.00, predicated upon a maximum bonding capacity of fifteen percent of the 1932 non-operative assessment roll, where principal and interest are wholly dependent upon funds derived from taxation; and the City of Lodi can now issue bonds in the amount of \$569,607.40, when the present Treasury held Lodi City outstanding bonds shall have been canceled; and

WHEREAS, by Resolution No. 683 passed by the City Council on August 21, 1933, the City Council employed "Consulting Engineers Messrs. Nelson A. Mekart, Walter L. Haber and Fred C. Herrmann to fully and completely investigate and report upon the present facts concerning costs, markets, financing and economic feasibility of the construction and operation of the power project as hereinbefore referred to, and as it may be adapted to the needs of the City of Lodi and the adjacent territory"; and

WHEREAS, the said engineering report, ordered in accordance with Resolution No. 683, together with such other information as is required in an application for a Grant and Loan from the Federal Emergency Administration of Public Works, Washington, District of Columbia, in accordance with Circular No. 2, dated August 1, 1933, will not be available for several weeks; and

WHEREAS, the City Council of the City of Lodi is apprehensive that such a delay in filing a full and complete application under the provisions of the said Circular No. 2, may jeopardize the consideration of such a Grant and Loan by the State Advisory Board created under the National Industrial Recovery Act.

NOW THEREFORE BE IT RESOLVED; that the City Council of the City of Lodi hereby directs and orders the City Attorney to file such

certified copies of this resolution, together with such other facts and data as may be required and available at this time to conform with the requirements of the aforesaid Circular No. 2, with the said State Advisory Board of the Federal Emergency Administration of Public Works, signifying thereby the intention of the City of Lodi to file a complete and detailed application for a Grant and Loan in accordance with the provisions of the National Industrial Recovery Act; and

BE IT FURTHER RESOLVED; that the City Council of the City of Lodi does herewith request that the State Advisory Board of the Federal Emergency Administration of Public Works file and record this resolution pending the filing of an additional and final application in accordance with the terms and conditions recited in Circular No. 2, dated August 1, 1933, as hereinabove recited; and said City Council further requests that, upon the filing with said State Advisory Board of such additional and final application, the same be considered and given preference as of the date of this resolution.

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Adopted in regular session of the City Council of the City of Lodi held Tuesday, September 5, 1933, by the following vote:

Ayes: Councilmen Weihe, Clark, Keagle,

Speener and Steele

Noes: Councilmen - NONE

Absent: Councilmen - NONE

Attest:


City Clerk